

Outcomes of the Plenary meeting of the FATF, Paris, 25-27 February 2015

Paris, 27 February 2015 – Under the Australian Presidency, the FATF Plenary meeting of Plenary year FATF-XXVI was held on 25-27 February 2015.

The meeting was opened by Mr. Michel Sapin, French Minister of Finance and Public Accounts who stressed the importance of a united global front in the fight against terrorism, and urged the FATF Global Network to continue its important work (Speech by Mr. Sapin available in french only).

The main issues dealt with by this Plenary were:

- Issuing a statement on FATF action on terrorist finance.
 - Adopting and publishing a report on the financing of the terrorist organisation Islamic State in Iraq and the Levant (ISIL)
 - Producing two public documents identifying jurisdictions that may pose a risk to the international financial system:
 - Jurisdictions with strategic anti-money laundering and combating the financing of terrorism (AML/CFT) deficiencies for which a call for action applies
 - Jurisdictions with strategic AML/CFT deficiencies for which they have developed an action plan with the FATF
 - Receiving an update on AML/CFT improvements in Albania, Cambodia, Kuwait, Namibia, Nicaragua, Pakistan and Zimbabwe.
 - Discussing the fourth round mutual evaluation reports on compliance with the FATF Recommendations of Australia and Belgium.
 - Increasing collaboration between FATF and the Egmont Group of Financial Intelligence Units, including a briefing by the Chair of the Egmont Group on recent developments in financial intelligence units.
 - Reviewing the voluntary tax compliance programmes in several jurisdictions.
 - Continuing its work on the issue of 'de-risking', in line with the effective implementation of a risk-based approach.
 - Building on the 2014 report on virtual currencies, the FATF wants to progress this issue for a decision at the June 2015 Plenary.
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Report: financing of the terrorist organisation Islamic State in Iraq and the Levant (ISIL)



This report provides a summary of the most important revenue sources and financial activities of the terrorist organisation ISIL. This organisation funds its operations, infrastructure and governance requirements primarily through the exploitation of the territory it occupies, for example by looting bank and exploiting oil fields, but also relies on other sources of income, such as kidnapping for ransom, donations through non-profit organisations, foreign terrorist fighters and fundraising through social media. The report emphasises the need for countries to implement the measures set out in the FATF Recommendations that will allow them to effectively detect and frustrate terrorist financing activities. The report also highlights the need for further focus on existing and new counter-terrorist financing measures to disrupt ISIL's financial flows in particular.

Update on AML/CFT improvements in Albania, Cambodia, Kuwait, Namibia, Nicaragua, Pakistan and Zimbabwe

The FATF congratulates Albania, Cambodia, Kuwait, Namibia, Nicaragua, Pakistan and Zimbabwe, for the significant progress made in addressing the strategic AML/CFT deficiencies earlier identified by the FATF and included in their action plans. These countries will no longer be subject to the FATF's monitoring process under its on-going global AML/CFT compliance process. These countries will work with their respective FSRBs as they continue to further strengthen their AML/CFT regimes.

Fourth round mutual evaluation reports on compliance with the FATF Recommendations for Australia and Belgium

The Plenary discussed the mutual evaluation reports of Australia and Belgium. These reports set out the level of effectiveness of each country's AML/CFT system and its level of compliance with the FATF Recommendations. The reports were prepared on the basis of the FATF Methodology for assessments, adopted in 2013, which requires the FATF to take into account the effectiveness with which AML/CFT measures are implemented, as well as technical compliance for each of the FATF Recommendations.

Each assessment team consists of legal, financial and law enforcement experts, principally drawn from FATF members, as well as members of the FATF Secretariat. Each team presented its findings from the on-site visit and analysis of the country's AML/CFT regime as well as recommendations to the country to strengthen its AML/CFT measures.

The Plenary discussed the findings of the assessment teams and will finalise the mutual evaluation reports for publication in due course.

Voluntary tax compliance programmes in several jurisdictions

The Plenary heard an update on the voluntary tax compliance (VTC) programmes of Argentina, Australia and France. These programmes were found to be consistent with the FATF's four basic principles on VTC at the previous Plenary meetings and no suspicious transactions were detected in relation to the programmes of Argentina and Australia. The programme of Italy, which commenced in January 2015, was found to be compliant with the four basic principles. Monitoring of Australia's VTC which had expired in December 2014 ends at this Plenary.

As for the members of the FSRBs, the Plenary was informed that CFATF had adopted their own procedure to monitor their members' VTC programmes, which was developed to be consistent with the FATF VTC procedures adopted in June 2014.

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